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THE
B U D G E T.

INSCRIBED TO THE MAN,

WHO THINKS HIMSELF

M I N I S T E R.

*Emendare tuos quamvis FAUSTINE libellos
Non multæ poterunt, una litura potest.*

L O N D O N :

Printed in April, 1764.

T H E

B U D G E T .

INSCRIBED TO THE MAN

WHO THINKS HIMSELF

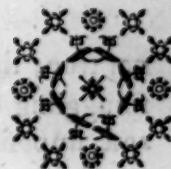
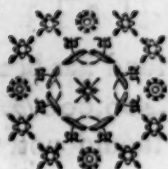
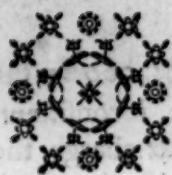
M I S T E R .



Emendare tuos quatuor Faustine libellos
Non minus poterunt, non litura potest.

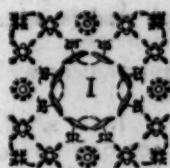
L O N D O N :

Printed in April, 1764.



T H E

B U D G E T.



OBSERVE that the administration has condescended, by an advertisement in the public papers, to explain the *Budget* to the meanest capacity ; I suppose they are so proud of their performances, that they think the like was never done before ; and to be sure the wonders of the *Budget* must needs make the ignorant stare, and admire the transcendent talents of the ministry, who have advertised such miracles. That the administration should submit to so humiliating a condescension, to catch at a little popular applause from the ignorant, is not surprising ; when it is considered how very low they are fallen in the public esteem ; but really they should at least have confined themselves within the bounds of truth. To say that they have paid off a great deal of the debt contracted in the late war, is a mis-representation ; that the establishment of the army is less than after the last peace, is

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not

not true; that the sinking fund has been encreased 391,000 by the smuggling cutters upon 1,400,000 *lb.* of tea, is false, inconsistent, and impossible. Yet I should not think it fair to charge the administration upon news-paper intelligences*, if the same doctrines had not been publicly and universally countenanced.

I shall follow the order of this ministerial advertisement, with a few notes upon the following articles, *viz.*

Debts paid off.

Establishment of the army.

Establish-

* *The following advertisement was inserted in the news-papers on March 20, 1764.*

It is with great pleasure that I congratulate the public on the disappointment of those, who, by keeping their money from coming to market, by checking the subscription of the navy bills, by circulating reports of a loan and a new lottery, and other arts of the same kind, hoped to profit by the public distress.

The state of the supplies, and the ways and means for this year, have now been made public; but as the exact sums may not be in every body's hands, I thought it might be agreeable to you to be enabled to furnish your readers with an account of them, which I believe is tolerably correct.

Of the unfortunate debt contracted during the last war, the government will this year pay off 2,771,867 *l.* 13 *s.* 6 *d.* *viz.*

	<i>l.</i>	<i>s.</i>	<i>d.</i>
German extras	500,000	0	0
Navy debt	650,000	0	0
Army extraordinaries	987,434	15	6
Deficiencies of land and malt	300,000	0	0
Dedommagement to the landgrave of Hesse	50,000	0	0
Deficiency of funds to be replaced to the sinking fund	147,593	18	0
Deficiency of grants for 1763	129,489	0	0
Advance in consequence of addresses	7,350	0	0

2,771,867 13 6

The peace establishment for the navy, which is the most constitutional force, and the best security for Great Britain, is much enlarged, amounting to 1,443,568 *l.* 11 *s.* 9 *d.* the same number of seamen being retained in the service as was voted last year, and 100,000 *l.* more than usual being employed in ship-building, in order to keep our navy on a footing to be respected by all Europe.

The establishment of the army is not increased, it is even less, and the staff much less than at the last peace; for though the whole sum is 1,509,313 14 *s.* yet

Establishment of the navy.

Encrease of the customs from the smuggling cutters.

The anticipation of the sinking fund.

And the bargain with the Bank.

This ministerial advertiser, to have dealt impartially, should have let us know that nothing has been done this year, during the administration of our very laborious Chancellor of the Exchequer, but what always comes of course in the routine of office, and was very successfully accomplished the last year, by a gentleman who never pretended to any great skill in finances. Army
ex-

yet it is to be observed, that the forces, ordnance, and staff in America, are 295,833l. the half-pay list is 158,250l. and Chelsea hospital, &c. 122,125l. The two last articles of which are deducted, being properly the tail of the war.

The miscellaneous articles of expences amount to 295,354l. 2s. viz.

Government of Nova Scotia	5,703	14	0
Ditto West Florida	5,700	0	0
Ditto East Florida	5,700	0	0
Ditto Georgia	4,031	8	0
Militia	80,000	0	0
African Forts	20,000	0	0
Foundling hospital	39,000	0	0
Princess of Brunswick's fortune	80,000	0	0
Subsidy to the court of Brunswick	43,901	0	0
British Museum	2,000	0	0
Mr. Blake	2,500	0	0
General survey of America	1,818	0	0
Paving the streets	5,000	0	0

295,354 2 0

Besides this, the government found 1,800,000 of exchequer bills at such a discount, as to weigh down with them the whole building of public credit.

This they have provided for, by transferring one million of them to the Bank for two years, with a reduction of a fourth part of the interest on them.

The other 800,000 old exchequer bills are to be paid off by issuing new ones for the like sum.

So

extraordinaries of the preceding year, dedommagements, deficiencies replaced to the sinking fund, deficiencies of the grants of the preceding year, together with deficiencies of land and malt, which are so pompously called debts contracted in the late unfortunate war, are all of them articles provided for as they arise, almost annually from the revolution, and particularly to a much greater amount the last year than the present. As to the navy debt, above a million and a half used always to be provided for, during the war, but the last year, it was all thrown upon the sinking fund, and by the present minister kept there this year.

But

So that the whole state of the supply is this :

Debt paid	2,771,867	13	6
Exchequer bills	1,800,000	0	0
Establishment for the navy	1,443,568	11	9
Ditto army	1,509,313	14	0
Miscellaneous articles	295,353	0	0
	7,820,102	19	3

To raise this large necessary sum, the government hath not oppressed the subject with one additional tax : it hath not encouraged the spirit of gaming by accepting a lottery, or taking to itself the not unpleasing power of disposing of tickets, commissions, and subscriptions.

It has avoided going to market for money, at a time, when, though it might have been advantageous to individuals, it must have been very detrimental to the public.

The ways and means are said to be these :

Land-tax and malt	2,750,000	0	0
Exchequer-bills taken by the bank	1,000,000	0	0
New Exchequer bills to be issued	800,000	0	0
Of the bank for the renewal of their contract, which is by much the most beneficial bargain for the public which was ever made with them	110,000	0	0
Savings under the head of extras	163,558	3	0
Militia money	150,000	0	0
Annuity fund, 1761	3,497	9	9

To this account, and for the public service, the present government has brought to account what had so long been unaccounted for, so long a disgrace to the service, and the reproach of administration, viz.

The saving of non-effective men, which in the present year is 140,000 0 0
To

But when the current expences between one year and another, are called by a name that never was thought of for them before, viz. debts, one would not prostitute a serious argument for an answer; the only reply they deserve is the argument *ad homines*, to tell them that even according to their own pretentions, they have not done so much as their neighbours. However, at all adventures we have a right to expect, that those who boast of having discharged a large portion of the unfortunate debt, will leave no debts or deficiencies, on account of the service of that very year when they make this boast; yet I fear the minister (whoever he may be in October) will find the sinking fund half a million in arrear. We are sure he will have, 800,000 of exchequer bills issued in this session, to provide for next winter; and the minister in the year 1766 will have to discharge, the million advanced by the bank to the present minister, for the service of this miraculous year.

To this the bounty of the king, who having delivered his subjects from the calamities, thus shews his earnest wish to deliver them from the burthen of the war, has added, being the produce of the French prizes taken before the declaration of war

700,000 0 0

The king has freed the public from the expence of all the new governments except that of the Floridas (*N.B. By giving them up.*)

And to make up the deficiency, the government has taken, with peculiar propriety, from the sinking fund (which was increased this year 391,000*l.* by an addition of 1,400,000*lb.* of tea, having, by means of the cutters, been brought to pay the duty) the surplus of that fund is

2,000,000 0 0

So the total of the ways and means is

7,817,055 12 9

The total of supply

7,820,002 19 3

It is true, that the whole supply is said to be 7,820,104*l.* 15*s.* 10*d.* and by this account it amounts only to 7,820,102*l.* 19*s.* 3*d.* But as this deficiency is not quite 2*l.* and proceeds from the omission of some shillings in the larger sums, which were omitted at the time of taking them down, it is sufficient to have mentioned it only.

year

Our panegyrist has chosen but ill to ascribe such ridiculous pretensions of merit to his patron, while he has under this very head of debts paid off, left unnoticed the only truant ray of œconomy that has wandered from the exchequer. The army extraordinaries verified and allowed this year amounted to 987434*l.* 15*s.* 6*d.* $\frac{2}{11}$ ths. Now some other slovenly minister would have indiscreetly thrown in the odd $\frac{2}{11}$ ths of a farthing, to have made a round sum, without dreaming of this hair-breadth escape from bankruptcy; but happily for us, our vigilant administration, upon this emergency summoned all hands aloft, and with astonishing labour, œconomy, expertness in fractions, and higgling with a *figuis* for $\frac{2}{11}$ ths of a farthing, have discharged an immense load of debt, and redeemed their country from bankruptcy. The saving of course goes to the sinking fund, which, upon the strength of it, is mortgaged for two millions.

When this great boasting is made of debts paid off, it only serves to remind us of what more able ministers have done, and thereby to make the pretensions of the present administration the more ridiculous. If a minister would acquire the merit of paying off the debt, it must be done either by improving the revenue, or by lessening the interest of the debt. Sir Robert Walpole improved the revenue in many branches, and would have done it in more; he settled the funds, and reduced interest, so as to get a sinking fund which during his administration produced above 20,000,000*l.* with part of this he reduced the national debt, and with the remainder he provided for such extra-services, as must otherwise have created new debts, or have kept the land-tax at four shillings in the pound. Mr. Pelham encreased the revenue by judicious regulations upon many branches, and added 600,000*l.* a year to the sinking fund by the reduction of interest.

Now

Now let us see what modern ministers have done; the stocks have fallen 10 *per cent* under their administration; (though they rise upon every rumour of a change) so that there is no chance of any reduction; and the sinking fund was diminished 250,000 *l.* *per annum* the last year, which defect the minister of the present year has adopted, instead of applying a remedy; so that their handy work has been, to raise the rate of interest, and to impair the sinking fund, instead of raising the sinking fund and lowering interest. Oh! but they say, former ministers had a large scope, but every fund of improvement is exhausted now; I reply, that the same superiority of talents and labour, which set Sir Robert Walpole and Mr. Pelham above their personal rivals, in their own times, would have held in derision the little pride and vain boasting, of modern temporary ministers who think to rival their fame. Besides it is very apparent that modern ministers take a malicious delight in dwelling upon the public calamities and distress arising from the war, & insulting their country under them, in revenge for our having put the conduct of public measures, into other hands than theirs; thinking that when the next war breaks out, we shall just have smarted enough for the glories that are past, to make us less refractory under their future ignominious administration..

As to the establishment of the army, that is not a question of pence and farthings, but a state question of security at home and dignity abroad, therefore I do not insist any farther upon the argument that the expence of the army this year is 1,500,000, whereas upon the average of the late peace it was but 1,260,000, than to suggest that the minister has no right to say that it is less. An overproportion of officers to men upon the establishment, is certainly the true policy for a country which has concluded a peace hollow and unlikely to be permanent. This doctrine I know is favourable to ministers; but those ministers who do not think this country to be in peril of another war, have no right to that argument; and

and therefore they stand convicted of approving it, because it enlarges their patronage with more commissions to bestow ; especially such of them as have at any time shewn reluctance, to a plan of advancing to each vacant commission from the half-pay ; or have advised the dismissal of officers, without imputation upon their military conduct.

But much merit is claimed from the expence bestowed upon the navy by a great number of men employed in the smuggling cutters. Now I confess to me it seems, that however constitutional a large marine may be, we run less risque by a more moderate provision there, because sailors dismissed from the public service do still continue sailors, in the merchant service, and are always ready at hand when a war breaks out. But let me ask whether a little attention would not be well-bestowed upon our ships themselves, which if left to decay, are not so easily recovered, as our sailors are from the merchant service. Perhaps it might be as well if the profits of the island of St. John were to be applied to the repairs of ships (which I am told are going to decay in a lamentable manner) as soliciting it in a private grant.

With regard to the smuggling cutters, I cannot allow them much merit as providing employment for sailors, who would otherwise be employed in the merchant service, without any expence to the public, more especially as the smuggling service itself is liable to some discreditable suggestions ; and for meritorious officers, it is equally to be considered that the service is not of the most honourable kind : But it is very plain that the administration prefer the beneficial patronage of fifty smuggling cutters, for such officers who have great interest to procure them, while they have turned a deaf ear to the voice which said, *Date obolum Belisario*. A thousand lieutenants who solicited but 6*d.* a day additional to their half-pay, are, after all their prodigal services (for want of what is called interest)

cast

cast off, to languish in penury, and to hide their heads in thankless oblivion.

Quis talia fando

Myrmidonum, Dolopumve, aut duri miles Uliſſei,

Temperet a lacrymis?

Now let us consider how much the revenue has been encreased by these smuggling cutters. It is pretended that the customs have been encreased 391000 *l.* in the article of tea. This assertion is too ridiculous to deserve an answer, because it is notorious that whatever the customs have produced this year more than the preceding, has arisen from a large quantity of wine sent hither upon the late invasion of Portugal, and a large quantity of sugar, sent home from those islands which were restored to the French in such a hurry. However as this is an assertion calculated to mislead, it shall not go unanswered. In the first place, the whole produce of the customs upon tea is but about 210,000 *l.* a year, which is the duty upon about 4,000,000 pounds weight. Then I beg to know by what kind of arithmetic the treasury would persuade us, that the supposed addition of 1400,000 pounds weight would yield to the customs 391000 *l.* In the second place, the customs upon tea amount very nearly to one half of the excise upon tea, so that we may judge of the one by the other: the produce of the excise upon tea, as may be seen in the aggregate and general fund accounts, has been as follows:

Year ending October	<i>l.</i>
1760	459446
1761	460668
1762	444170
1763	478458

Now the mighty matter is come out; the excise is higher by about 18000 *l.* than it was in the years 1760 and 1761; and

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there-

4000,000 : 210

4,000,000 =

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0520

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380000
700000

73500-1000

0525
20

10500
12

1000
500

6000

24000

therefore the encrease upon the customs is about half this, *viz.* 8000 or 9000 *l.* for this year above the average.

I beg to compare this account with that of the customs upon tea after the late peace in 1748, to shew what other ministers have done :

Year ending Midsummer 1748	93,850
1749	82,673
1750	158,000
1751	118,799
1752	150,697
1753	106,825
1754	137,703

Let our temporary minister peruse this account, and then boast of his having encreased the revenue of the customs, to the amount of 9000 *l.* *per annum* by his favourite smuggling cutters.

In the next place I shall shew that the customs have been encreased in those branches which include no duty upon tea, as upon the following.

	1762	1763
Impost upon wines and vinegar	64,776	84,949
Impost upon wines 1745	55,874	67,410
Impost upon tobacco	82,894	93,351
Impost of 1690	77774	127,496
	281,318	373,206

If upon so small a proportion of the customs (at the same time including no duty upon sugar) there has been so great an encrease, let us imagine when the encrease is computed upon the whole amount of the duties upon these articles, and upon

upon sugar, what there will be left to attribute to the encreased revenue of tea.—And after all, what is it but an insult upon the understandings of the uninformed, for the minister to claim any merit to his administration, because the customs have produced 400,000 *l.* more in any one year than the preceding, than which nothing is more common. So gross an imposition cannot be treated with sufficient contempt, because it puts the ministry upon the footing of a notorious impostor. Here follows the account of the customs for four years as a specimen of their fluctuation :

Year ending Midsummer	1760	—	2,299,903
	1761	—	1,512,000
	1762	—	1,763,633
	1763	—	2,174,558

Now let them plead ignorance in those points where they have boasted of their knowledge, or confess themselves guilty of an intended imposition. I hope that I have now proved that the encrease of the customs does not arise from tea, that it is impossible it should; likewise, that I have pointed out the branches upon which the encrease has arisen; and lastly, that the encrease, such as it is, cannot at all be depended upon for being permanent, as it is nothing more than according to the usual fluctuation of the customs, and what might naturally be expected after two years that were below *par*.

If any thing can be more absurd or ridiculous than the assertion of this improvement of the customs by smuggling cutters, it is the application of it. The customs were casually encreased 410,000 *l.* between Midsummer 1762 and Midsummer 1763, therefore the minister with peculiar propriety charges 400,000 *l.* extraordinary upon the growing produce of the sinking fund
be-

between October 1763 and October 1764, a year and a quarter after—There is a ministerial syllogism for you!

I do not pique myself upon any great accuracy of stile or elegant composition in these notes, because they are merely such as drop from my pen as I go on; but as to figures, estimates, averages, as any one might be inclined to put less confidence in them, if they were done extempore or in a hurry, I must therefore beg leave to say that they have lain by me for some years, and consequently have been examined with accuracy and deliberation, otherwise I should not have thought of stating these sort of questions out of hand, more especially I should have kept clear of what I shall now consider for the next point, *viz.* Whether the sinking fund can be supposed to produce the sum that is charged upon it for this year? I mean to offer an argument upon this head to the Treasury-bench, and if they will forgive my disturbing their golden dreams, I wish they would rub their eyes and peruse the following estimate.

I shall take it for granted that some of them have heard, that the sinking fund consists of certain surplusses brought from the Aggregate, South-sea, and General funds; of several consolidated duties; and of monies carried to this fund from the supplies of the year. I will state all these separately. The produce of the surplusses upon an average of six years ending October 1763 amounts to 1,938,727 *l.* after deducting 119,375 *l.* of the land-tax of 1758, which was carried to the surplusses in October 1760, and likewise deducting the spirit duties of the 33d George II. These last are to be deducted from the surplusses, because I shall take their estimate in the place where they stand now, *viz.* among the consolidated duties, else they would be twice told. The proof follows:

Total

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to 377 *l.* or about 105,000 *l.* p. a. n.*

Total surplusses as they are stated in the accounts upon the table.	Spirit duties to be deducted, together with the land-tax 1758.	Net surplusses;
1758 ——— 1,835,043		1,835,043
1759 ——— 1,831,260	132,812	1,831,260
1760 ——— 2,308,506	119,375 Land tax 1758	2,056,319
1761 ——— 2,301,527	327,336	1,974,191
1762 ——— 1,768,242	42,125	1,726,117
1763 ——— 2,209,434		2,209,434
<u>12,254,012</u>	<u>621,648</u>	<u>11,632,364</u>
Average produce of the surplusses		1,938,727

In the next place we must take the average of the consolidated duties upon a medium of six years.

Duty on wrought plate 1720	100
Stamps 1731	31,300
Surplus of the spirit duty 16 and 17 Geo. II.	24,200
Ditto on wines 1745	45,000
Ditto on glass and spirituous liquors	24,900
Ditto on houses	115,300
Coach duty	54,000
Subsidy 1747	318,600
Duty on sweets	6,200
Plate licences	6,700
Surplus of the duties upon soap, paper and coals 1714	48,300
Ditto on coals 1719	24,800
Beer licences, cards, and plate by 29 Geo. II.	75,400
Salt	227,700
Stamps, wine licences, coals exported, and spirit licences 30 Geo. II.	100,100
Subsidy 1759	223,100
Spirit duties 24 Geo. II.	46,800
Ditto by 33 Geo. II.	299,500
Ditto by 2 Geo. III.	60,000
House duty 2 Geo. III.	29,100
Three-penny malt duty	330,000
Beer duty 1761	372,000
Total	2,463,100

Estimate of the growing produce of the sinking fund from
October 1763 to October 1764.

By surplusses	_____	1,938,000
By consolidated duties	_____	2,463,000
From the supplies	_____	147,000
Total estimated produce		4,548,000

The charges upon the sinking fund are

To pay consolidated annuities	_____	645,556
To pay reduced annuities	_____	540,994
To pay 4 per cent. annuities	_____	814,234
To pay long annuities 1762 with charges	_____	121,680
3½ per cent annuities 1756	_____	53,342
South sea annuities 1751	_____	64,180
Life annuities 1757	_____	35,212
Navy annuities	_____	140,000
Three quarters of a year's annuity granted 1761	_____	372,000
Deficiencies of funds estimated at	_____	100,000
Money remaining unpaid for the service of 1763	_____	67823

Total 2,955,021

These are the premises from which we may come to a clear state of the question whether the sinking fund be anticipated for more than it will yield or not, for we have only to subtract the charges upon this fund, from the estimated produce of it, and the remainder will be the amount of the disposable money within the year.

Total estimated produce	_____	4,548,000
Total charge previous to the vote of 2,000,000 for 1764	_____	2,955,000
Disposable money according to estimate between Octo- ber 1763 and 1764	_____	1,593,000
Deficiency of the sinking fund at the end of the year according to estimate, being what its produce will fall short of the two millions charged upon it	_____	407,000

372 000
124 000
496 000

1593 000

147 000

from supplies

It appears then by this estimate, that the probable deficiency of the sinking fund at the end of the year will be 400,000 *l.* and this upon an average computation, which however is more than the administration can in strictness of argument claim in the case before us, because as the last year was above *par*, the rising year is likely to fall below; but as I do not mean to be captious, nor have any occasion to screw the argument as tight as it will bear, I make no account of this: on the contrary, wherever a fund has fallen remarkably below *par*, I have restored it to its usual average, as upon the three-penny malt duty, which I have set at its full average, according to the estimate of the annual malt duty by which we may judge; and I have done this without setting any thing off from the account where the casual produce of any branch has been remarkably high. It must likewise be considered, that as these estimates go back to years previous to many of the new duties laid on during the war, the average of old duties from this time forward is more likely to fall than to continue

as

I shall put all the explanatory remarks that occur to me relating to the above estimate promiscuously into one note. With regard then to the first branch, *viz.* surplusses, the average of them will be rather lower than I have stated, because the new customs and excises laid on during the war will impair their produce; and this will more particularly be the case with the civil list funds, the two great branches of which being an excise upon beer, and what is called the new subsidy, will doubtless be impaired by the subsidy of 1759 and the new beer duty of 1761. It must be observed that I have made no alteration in the estimate of the surplus of the aggregate fund, on account of the civil list revenues going thither since the death of the late king, because they carry as much additional charge upon that fund, as they do of revenue to it, or upon an average rather more; for it appears, that the civil list funds upon an average of 33 years during the late king's reign, produced but 793400 *l. per annum*, the sum total of their produce being 26,182,981 *l.* as appears by a paper presented after the death of the late king. — As to the 119,000 *l.* of the land tax of 1758 deducted out of the surplusses, that requires no apology, for if the produce of the sinking fund is to depend upon such contingency, we are in a deplorable way; nothing like it ever happened before, nor is likely to happen again. As to the consolidated duties, I can say no more than that the chief of them are taken upon an average of six years,
and

as before ; but I have made this whole estimate with a liberal hand, to take away any pretence from the ministry for retorting the accusation upon me, *viz.* that I have likewise made a fallacious estimate. For if I could have prevailed upon myself to have followed their own example the deficiency would have come out double.

I must here point out a notable piece of ministerial craft with regard to the beer duty of 1761, as it will explain the motive for annexing it to the sinking fund from Christmas last. I have estimated the produce of this duty between Christmas and October at 372,000, as I have charged it with three quarters of a year's annuity, *viz.* 372,000 *l.* likewise, because so much will be due then ; but it must be observed, that the pay-days of this annuity are Midsummer and Christmas ; therefore between this time and October, there will be only one half-year's payment to be made, by which means the minister will apply the surplus produce of the duty above one half-year's payment, to the cur-

and such of them as have not been granted so long, I have taken upon the longest term that could be had. The duty upon houses granted in the year 1762 was expected, I know, to produce a great deal more than it has, but as the produce of it for the second year amounts but to 29,100 *l.* I could not think myself justified to set it down for more, merely upon a vague estimate, and contrary to the experience of a second year's produce. The new beer duty of 1761 upon the average of the second and third years (the produce of a first year is so vague that it ought never to be taken into any estimate) in which it may be supposed to be got into something of a settled way of producing has amounted to about 522000 *l. per annum*: now it has been a point of some difficulty with me to determine, what proportion of this I should set down for the produce of this duty between Christmas and October, which term includes two summer quarters, and consequently will not receive any thing like three-quarters of the whole produce of the duty ; because the winter is the time for brewing, and the October quarter may very well be supposed to bring in a third part of the whole year's income. To settle this therefore as equitably as I could, I have allowed 372000 *l.* which is just between two-thirds and three quarters, and corresponds exactly with the amount of three-quarters of a year's annuity charged upon this fund, which will grow due between Christmas and October. I think there can be no exception to this, which seems to be fair on both sides, as well as supported by estimate. As to the estimate of deficiencies, which is set at 100,000 *l.* I compute the probable deficiency of the duty upon officers and pensions at 50,000 *l.* and the deficiency of the wine and cyder at 50,000 *l.* more.

current service of this year, and leave the produce of the remaining quarter from October to Christmas, to be answerable for a half year's payment due at Christmas. And if the beer duty had not been carried to the sinking fund from Christmas last, so far from any chance of receiving the benefit of any surplus upon this duty to the amount of 124,000 *l.* between this time and October (which is a fallacy that the present minister hopes to avail himself of) that the probable surplus on the 5th of January, 1765, would amount to about 30,000 or 40,000 *l.* but this would not have served the purpose of the present year. The amount of which piece of legerdemain is neither more or less than this, If the minister can but scramble through this winter by exhausting every temporary and deceitful expedient, he considers it as a matter of no concern to him, in what condition the revenue will be found in October, or what difficulties he may throw upon the shoulders of another man, provided he can shift them off from his own.

Now that we are upon the topic of the sinking fund, I will state my idea of it in a very few words. I shall hope to express myself in such a manner that a plain man may understand me ; as to people in office I despair ; for, in general they are so involved in technicalities, that they cannot see a thing unless it be in a mist.

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Total

*Total permanent revenue (excluding the land tax,
and annual malt tax).*

Customs - - - -	2,000,000
Excises (exclusive of the annual malt duty - - - -)	4,000,000
Stamps, house duty, salt, offices and pensions, post-office, beer licences, and other small branches - - -	1,000,000
Total permanent revenue net (exclu- sive of the land tax, and annual malt-tax) * - - - -	7,000,000

Charges upon the national revenue.

To the civil list - - - -	800,000
To the interest of the funded national debt - - - -	4,548,835
To the interest of the navy bills charged <i>pro tempore</i> upon the sink- ing fund - - - -	140,000
To the interest of about 6,000,000 £. of outstanding debts at the rate of 4 per cent. which must directly or eventually come out of the perma- nent revenue - - - -	240,000
Total charge - - - -	5,728,835
The total charge deducted from the total permanent revenue, leaves the total disposeable money or sinking fund - - - -	1,271,165

I have now gone through the topics, which I proposed origi-
nally to discuss ; but I cannot conclude without a few re-
marks upon the general state of our affairs.

* If any one would know the sum total raised within the year, he must add the
nett produce of the land and malt to the perpetual duties, and then it will stand thus,
By perpetual duties, as stated above, ——— 7,000,000
Nett produce of land at 4s. and malt, about ——— 2,450,000
Total money raised within the year ——— 9,450,000

There

There is a degree of malice in the present ministry against their country that is beyond example. They forced themselves by violence and intrigue into the conduct of public affairs, at a time when I am sure the general voice of their country was loudly against them. They came in, to expose the pretended nakedness of their country, to an enemy who was at the last gasp. They vilified our advantages; they falsified our situation; they proclaimed our distress in the most exaggerated terms, when that very distress, compared with the real calamities of our enemies was triumph. Upon that fatal day when this system of ministry came to the helm, was first promulged the desolation and debility of this country. Instead of shewing to our enemies the hopelessness of their situation, they gave them encouragement to expect an universal confusion here; minister lying in wait to perplex minister; brother to supplant brother; and the whole system of affairs thrown into a treacherous consternation. Advertisements went to the enemy, that, if they would hold their breath but a few hours, we would raise the clamour for peace here; instead of telling them, that we had at that moment the funds for two years to come*, (which at the pinch of a war is the point gained) and therefore that they could have nothing to hope for, but still to be beaten for two compleat years, by an enemy in the full career of victory. Neither could this prove a vain boast, for the faculties of this country were so far from being exhausted, that, at that hour, we were provided with funds for more money than all our previous successes had cost us: in-somuch, that, on the 18th of December, 1760, the parliament having provided twelve millions for the next year, we still left another fund capable of producing twelve millions more, to be postponed for the service of a farther year, being thus superabundantly provided. In this height of glory did the evil genius of this country aim the fatal blow, which has reduced it to be faithless and friendless throughout the world.

But still our fate would not relent; lest public credit should once more hold up its head, these ministers have held the same

* *Viz.* The beer duty granted in December, 1760, and the spirit duties, which had been granted the preceding session, but were postponed for the service of the year 1762.

deadly

deadly hand over their country. They will do nothing themselves, they will not stir a finger to relieve us, they will stay till they have seized every beneficial patent and reversion, and we may be sure that they will not alarm the country by any tax, however necessary it may be, or however easily it might have been carried by other ministers, whose credit stands high in their country. If they can riot in the public spoils for a few hours, they regard not the consequences, either of public bankruptcy from their neglect of the revenue in the proper season, or the discontents which they have bespoke against the next administration, who must either patiently submit to the bankruptcy of their country, or lay fresh taxes in cold blood. In short, this ministry act upon the principle of a set of sharpers, who have laid a bett that their country will expire of the wounds she has received in the late war, and therefore will not allow it the fair play to send for a surgeon.

Have not the ministry boasted that they would raise the stocks by disappointing the schemes of those who expected to bring their money to a good market, and to profit by the public distress; yet the stocks have not risen since the minister has declared his intentions against borrowing: for who can avoid seeing that the evil is only put off till to-morrow. As long as there is so large a quantity of debt unprovided for, and which the minister declares he will not provide for, public credit will languish, while neither the vaunting of ministers nor their threats will afford any support. Has not the minister told the proprietors of navy-bills, that their not subscribing to the 4 *per cent.* annuities was faction? Has not the sharp vengeance of parliament been held out against them as *delinquents*? Have they not been threatened to be passed over in the course of payment, contrary to the express terms of their contract? Have we not heard this proposition enforced upon a distinction between the faith of parliament, and the honour of parliament? Does not this distinction afford an encouraging prospect to public credit? I hope the faith of parliament and the honour of parliament will be for ever one; although we have experience that the faith

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of parliament and the honour of ministers are to each other as light and darkness. What meeting was that which was called of the pretended proprietors of navy-bills in January last? How many of them signed a petition to the treasury, relating to unsubscribed navy-bills, who were not actually in possession of any at that time? What is the great cause of resentment and threats for the non-subscribers of navy-bills made out before December, 1762? Plainly this, that the contractors, who, since that time, have taken their navy-bills of the *present* administration, might be brought forward in the course of payment as a reward for all their obedience; while those who had made contracts with the former administration were to feel the hand of tyranny and oppression. Yet, was not every one at liberty to chuse whether he would subscribe? or, if these proprietors of navy-bills are to be compelled to subscribe whether they will or no, why is not this principle extended to all the proprietors of the funds? Let the minister publish his edict, that, if they will not be contented to give up half their principal, they shall never be paid at all, either principal or interest. In God's name, if public faith is to be violated, let it not be done for a trifle: Be bold; sponge out half the debt, and annex the interest to the sinking fund.

Our ministers boast that they have raised the supplies this year without any additional tax. Now other people see all this in a very different light; for the ministry have only postponed the necessary provisions, they have left near ten millions of outstanding debt, which till it is funded will infallibly depress all the other stocks; we see that it does so, as they are at this moment 15 *per cent.* below par, and this I call a tax upon all stock-holders. Ask the monied interest, whether the present ministry has laid any tax? and they will tell you, that their property is worse by 20,000,000 £. than it would be if ministers would do their duty; and if this is not a tax, let the minister give his definition of taxing.

Then go to the landed interest, and enquire what merit the ministry are to claim with them. Their merit is this:

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that

that they will not exert themselves to provide for the necessities of the state by a plan of distributing the burthen, and therefore have thrown the whole upon the shoulders of the landed man; rather than stir themselves to effectuate any plan, by which the landed gentlemen might have to pay no more than their respective proportions, according to their way of living, they have transferred the whole upon the land, which from henceforward can have no chance of paying less than four shillings in the pound. That the landed men may see how decided and hopeless their fate is, I shall state the current expence, and the annual provision that there is to support it,

The avowed peace establishment amounts to 3,500,000

The Ways and Means are,

By land at 4 s. and malt, which will yield yet about - - - 2,450,000

By the sinking fund, which, till some farther provision be made for the outstanding debt, will yield no more than about - - - 1,270,000

Total annual provision for the current expence, during the time of peace, including the land tax at 4 s. 3,720,000

The surplus being about 220,000 £. is to answer all contingent expences; such as an occasional subsidy, a fleet of observation, and a variety of incidental matters, which in the most peaceable times must occur: in the next place it is to be applied to the payment of near ten millions of outstanding debt, which indeed half a century of undisturbed peace may possibly accomplish; and, at the end of this period, the land-tax may stand some chance of being reduced a few pence below four shillings in the pound. If the landed gentlemen are well pleased to take the whole burthen upon their own estates, (being a mortgage of a million *per annum*) instead of paying their share of any tax according to their domestic consumption, I hope they have at length met with a minister to their perfect content.

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F I N I S.

A P P E N D I X.

I shall state the value of the Bank charter in the following manner. We find by comparing the dividend of $4\frac{1}{2}$ per cent. which the Bank make upon their stock, with the annuity at 3 per cent. which they receive from the government, that their annual profits, as an incorporated Bank, amount to about 146,000*l*. But if the Bank charter was to be transferred to any other corporation the greatest part of their profits would fail. Their number as a partnership for banking would be reduced to six, for whoever was to obtain the charter constituting *them* the Bank of England must have this fundamental clause continued exclusively in *their* favour. By consequence the present Bank would lose all the profits which they now make from banking, and be reduced to little more than the savings which they could make out of the annual stipend, allowed to them for charges of management upon fundry annuities, which would still continue transferable under their direction. However, to keep quite on the safe side of the argument, I will only suppose that they would lose one half of their present profits if they had no charter. Then it follows that what the government had to sell them, was an annuity of 70,000*l*. a year for a lease of 21 years. This being valued at 14 years purchase would amount to 980,000*l*.

We may state this matter in another light but much to the same effect. If the charter of the Bank had not been renewed, it can by no means be unreasonable to suppose that their profits would have been so far impaired, as to make their capital stock of less value, by 10 *per cent.* than it is at present : this loss would amount to 1,078,000*l.* (being 10 *per cent.* upon their capital stock) and therefore the charter which protects them from this loss, must be

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worth

worth 2,078,000 *l.* to them, though they have not given more than about 130,000 *l.* for the purchase of it. Upon the whole it should seem that if we set the Bank charter at a million we run no risque of overvaluing it, therefore I shall proceed upon that supposition. I do not mean to attempt an accurate estimate of the value of the Bank charter, but merely to take safe grounds, upon which we may shew that the ministry have no great cause to boast of their merit in driving a bargain, when they have sold for one hundred and thirty thousand pounds, what they could not think to be worth less than a million.

But in all matters of bargaining, not only the value of the thing, but the mutual necessities and risques of the respective parties in the bargain are to be considered; let us therefore state this point between the Bank and the administration. The object with the Bank must certainly be not to lessen the value of their stock; the consideration which the ministry will plead to, must be the risque of disturbing public credit, if they did not immediately renew the charter of the Bank.

With regard to the former we know that monied men are not heroes in these matters; and therefore as it can hardly be supposed that the proprietors of Bank-stock would have been quite easy under the apprehension of losing their charter, it seems to follow that the ministry might have made the anxiety of individuals for their own private interest, to operate a little more towards the public support than it has done in this instance. More especially as the ministry were not hard pressed, by any means, for the charter of the Bank did not expire *ipso facto* in August 1764, though after that time it would be redeemable and transferable, to any other corporation or set of men who might have thought it worth while to have offered more than 130,000 *l.*

There is some strange superstition about public credit as if the very hesitation to renew the Bank charter would be fatal. This is a very convenient doctrine for the proprietors of Bank stock,
and



and they have reaped the benefit of it this year. I would not be for proposing violent measures, though at the same time, I can by no means see any such imminent danger in this case, of shaking public credit, as to make it utterly unsafe for the ministers to hesitate, or to take sufficient consideration how or where they might have got a better bargain.

The dissolution of the Bank charter must be supposed either to affect the credit of their private bills or the facility of government circulation. With regard to their private credit, that does not depend upon their charter; can any one suppose that the credit of the Bank stands upon no better foundation, than a piece of parchment and sealing-wax? No, we take Bank-notes in current payment because the Bank always pays at sight, and because we have the fullest assurance, whether the bank have any charter or not, that their estate in the funds, which by act of parliament is made answerable, would at all adventures secure to their creditors the payment of twenty shillings in the pound. What good did the charter do for them when the original bank cracked in King William's time? none at all. Till the bank became pay-masters at sight, their funds became known, and to be depended upon, in consequence of the establishment of national credit and the security of the public funds, no man would take a bank note in payment at *par*, notwithstanding the supposed magic of their charter. Let the administration try the virtue of a mere charter upon half a score of their majority friends among the bankrupt merchants; I fear their notes would have but a very limited currency: though at the same time any set of men who have an ostensible estate of ten or twelve millions, and that secured by act of parliament for the payment of their debts, might without a charter, extend their credit as far as they please. It is therefore the unquestionable responsibility of the bank that gives them general credit, and not their charter.

If

If the Bank charter had been dissolved, what would have been the consequence to their private credit? just the same consequence that would happen if any private shop in the city should give notice of leaving off trade; they would call in all their bills, they would pay twenty shillings in the pound, and the business would go to other shops according to their respective credit; and if any other set of men, proprietors of ten or twelve millions in the funds, could obtain an act of parliament declaring their joint stock liable to the payment of their notes of credit, and if by the same act they were bound to pay their bills at sight; they might have directors, and governors, and committees, a great house, and every important non-essential which could strike the minds of the vulgar; and perhaps ministers when they found a modern bank discounting bills, and supporting an extensive credit, might lose their superstitious notions, as if nothing less than supernatural powers could have raised this incomprehensible fabric; the priestcraft of state banks would be detected, and the monopoly dissolved.

As to the facility of government circulation, that likewise depends upon the same principles as the private credit of the bank, *viz.* the largeness of their capital, and the responsibility of their funds; and therefore from the moment that the charter of the present Bank was transferred to any corporation possessed of as large property as the Bank, what should hinder the effect of a policy founded upon rational principles, from operating in favour of a new charter as well as the old? The whole mystery of credit consists in one plain and sober principle, *viz.* the sufficiency and responsibility of funds; and wherever these be provided, private credit will flourish, and the government need not fear having a bank capable of supplying their demands.

I do not say that it would have been eligible to transfer the Bank charter without some other motive than merely that of change;

change; but let the Bank look to that, let them offer such terms as their charter is worth. It is a very material point to them not to run the risque of lessening the value of their stock; especially as the government is not threatened with any such difficulty or distress, but what a very little exertion of themselves, and steadiness, might provide against upon the safest grounds.

There is a strange kind of doctrine held by the Bank, as if the continuation of their charter were a matter of inconsiderable value. The fallacious ground of this argument lies here; that as their charter enforces no obligation upon the public to take bank notes, and therefore, as they stand, like any other shop, upon the foundation of their own property and credit, where is the mighty benefit conveyed by their charter? Now, if this argument had been carried one hair's breadth farther than it has been this very year, it would prove, that the bank have done a favour to the public by receiving the continuation of their charter, for they have given next to nothing for it: and so far I allow, that it does but obscurely appear upon the face of the charter, in what manner the bank receive any benefit from it, altho' it carries real and infallible advantages to them in its consequences; for their charter, by uniting a large and respectable body of men, with such pre-eminent credit as must arise from the largeness of their known estate, specified, and secured upon the authority and faith of parliament; does enable them, and them only, to circulate the land and malt bills, and other government monies, while the government are, in effect, precluded from applying to any other shop. The credit of private bankers (who must not be more than six in partnership, nor can receive any countenance by act of parliament as a *fellowship in the nature of a bank*) cannot be so secure, even in the common course of supplies; and would be much less capable of advancing large sums upon emergence, with
equal

equal expedition and secrecy, as the bank, which derives its greatness from the authority of government; so that the beneficial clause in their charter, does in effect amount to this; whereas the bank must be well assured that the government cannot get their business done at a petty shop, therefore an act shall be passed to disable the government from setting up any shop of sufficient consideration to serve them; by which means they are thrown into the hands of the Bank; who, from that time forward have a monopoly against their benefactors; and in the profit of this monopoly it is, that the benefit of their charter consists. If the Bank were to have inserted in their charter, that the government should by no means employ any other shop, the advantage would become more conspicuous but not more certain.

But indeed all argument is superfluous when the question relates to a matter of fact, for whether these advantages do arise to the Bank by immediate connexion with their charter, or by infallible consequence out of it; the matter of fact is, ~~that~~ the Bank do value them at a very great rate, as appears by the price of their stock; so that it is but a juggle to deny the advantage that the Bank derive from their situation, when they set a different price upon it themselves. The Bank has divided one and a half *per cent* above the current rate of interest for many years; they would prosecute a man for calumny and defamation who should propagate any report that they would not do so for the future; their stock sells at this hour upon the same confidence; and yet they have persuaded the minister to renew their lease for less than one year's purchase of their clear profits. Did the minister apply to the holders of the old or new South-Sea annuities, or to any proprietors of ten or twelve millions of the national

national funds, to know what they would have given to purchase the advantages necessary or contingent (as that may be) which the Bank enjoy at present? If not, I think it would be a morning or two well spent, for the minister to go a shopping with the maids of honour, till he has learnt that the best way to make a bargain is by going to more shops than one.

But methinks I hear their apology already, *viz.* that in the year 1742 the Bank charter was renewed even upon terms inferior to the present. That, however, is no satisfaction as to the merits of the question, and if the present administration are determined to copy nothing from former times but their blunders, I do not envy them their apology: though I must confess that there is a similarity between the circumstances of the present ministry, and that temporary system which was struggling for breath when the bargain was made in 1742: That contract with the Bank was concluded about a month after Sir Robert Walpole's resignation, by my lord Wilmington, to gain credit with the Whig Bank. The new administration at that time had no more credit in the city, or with monied men, than the present ministry has now; and therefore the motive was equally urgent, to tamper with the monied men by granting them great advantages; however, at present all such attempts are made in vain.

April 1764.

...to know what they would have done to purchase
the services necessary or convenient for that day (which
was taken on by a private). If not, I think it would be a morning
of two well spent for the minister to go a shopping with the
ministers of the church. It is a pity that the best way to make a
living is to have a shopman one.

But I have their apology already, and that in the
fact the Bank charter was renewed even upon terms in-
favourable to the public. That, however, is no satisfaction as to
the merits of the question, and if the present administration are
determined to copy nothing from former times but their plan-
et, I do not see why their apology: though I must confess
that there is a similarity between the circumstances of the pre-
sent ministry and that temporary system which was suggested
for months when the bargain was made in 1742. That con-
tact with the Bank was concluded about a month after 28. No-
vember 1742, by my Lord Wilmington, to gain credit
with the Bank. The new administration at that time
was in the hands of the Whigs, and it is to be feared that the present
administration are not much better than those who were in power
to transfer with the money. I am by standing from great
... as the ... the ...

10 FEB 53

July 1764

